Cost reduction in Indian industry

3047. SHRI ANAND SHARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what efforts are being made to introduce cost reduction in Indian Industry to improve its competitive strength *vis-a-vis* Chinese industries; and

(b) whether Government is considering a proposal to provide imports and international prices to the industry?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) The Government has constituted National Manufacturing Competitiveness Council (NMCC) to introduce cost reduction and enhance the competitive strength of Indian manufacturing industry in general.

(b) Imports related to export promotion are allowed at concessional duty and even duty free as per schemes detailed at Chapter 4 & 5 of the Foreign Trade Policy 2004-2009.

UNCTAD Survey on FDI Prospects

3048. SHRI KALRAJ MISHRA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether according to an United Nations conference on Trade and Development survey on Foreign Direct Investment prospects for 2005-06, covering 81 countries, India occupies the second position, next only to China as the most attractive investment destination after China for Transnational Corporations;

(b) if so, what percentage of Transnational Corporations found China, India, US, UK, Russia and Pakistan, as attractive destination; and

(c) what steps have been and are being taken or contemplated by Government to make India a more attractive investment destination by multinationals?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Based on the FDI prospects survey quoted in United Nations Conference on Trade and Development's (UNCTAD's)' World Investment Report, 2005', 51%

of the surveyed transnational corporations have found India to be the most attractive investment location. China, United States, Russian Federation and United Kingdom have been considered the most attractive location by 87%, 51%, 33% and 13% respondents respectively. Response for Pakistan has not been reported.

(c) The Government has put in place an investor friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is allowed under the automatic route in most sectors/activities. The FDI policy and related procedures are reviewed on a continuing basis. The Government also undertakes investment promotion and facilitation measures to attract investment.

Action against major publishing houses and cigarette companies

3049. SHRI JANARDHANA POOJARY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether action has been initiated against some major publishing houses and cigarette companies for violation of the "Tobacco Products (Prohibition of Advertisement and Regulation of Trade And Commerce, Production, Supply and Distribution) Act, 2003; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) The Show Cause Notices have been issued to the publishers of The Hindu', 'Stardust' and 'Overdrive' and the manufacturers of cigarettes with brand names like Red & White (M/s Godfrey Phillips), Gold Flake (ITC) and Malbros (M/s Phillip Morris Ltd.) for violation of the "Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply & Distribution") Act, 2003. The concerned State Governments have also been requested to take action against such magazines/publications published from their Sates.

Visit of Defence Minister to North East in September, 2005

3050. SHRI S.S. AHLUWALIA: Will the Minister of DEFENCE be pleased to state:

(a) whether his visit to the North-East in September, 2005 also included